

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2277 - SB 2412

March 15, 2014

SUMMARY OF BILL: Transfers the balance in the Utility Relocation Loan Program (URLP), as of June 30, 2014, to the Utility Revitalization Fund (URF); any outstanding relocation loans at the time of the balance transfer will be repaid to the URF as reflected by the previously adopted repayment schedule. Requires the Utility Management Review Board (UMRB) to review applications and recommend recipients for utility relocation loan funds, and requires applicants to meet all set criteria in order to be recommended to the State Funding Board for the receipt of a loan. Authorizes the State Funding Board to make and administer loans from the funds and establish terms as it determines and deems necessary. Requires a minimum of 25 percent of the balance of the fund to be reserved for use of the relocation of utilities in conjunction with a Department of Transportation (TDOT) project. Authorizes the usage of any amount available, after the 25 percent portion required to set aside, for relocation projects to offset any administrative costs for a utility being merged or consolidated with another utility. Requires funds collected from civil penalties assessed pursuant to Tenn. Code Ann. § 54-5-854(h) to be paid into the URF.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$4,685,100/One-Time/Utility Revitalization Fund

Increase State Expenditures - \$4,685,100/One-Time/Highway Fund

Other Fiscal Impact – Any impact to the Office of the Comptroller is dependent upon the extent of systems that will utilize the Utility Revitalization Fund; as a result this impact cannot be determined.

Assumptions:

- According to the Office of the Comptroller of the Treasury, an impact to the department cannot be measured because it is unknown how many systems will utilize the URF.
- According to TDOT, as of December 31, 2013, the balance of the URLP was \$4,685,102.
- The provisions of the bill will result in one-time increase in state expenditures of \$4,685,102 from the Highway Fund and a corresponding increase in state revenue of \$4,685,102 to the URF.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The relocation loan funds shall be used for financing all costs incurred by public utility districts; therefore any impact to commerce or Tennessee jobs is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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